FIDELITY FEDERAL
BANK & TRUST

Joseph C. Bova
Executive Vice President
Corporate Services

March 15, 2006

Office of the Comptroller of the Currency
250 E. Street, S.W.
Mail Stop 1-5
Washington, DC 20219
Att: Docket No. 06-01

Robert E. Feldman, Executive Secretary
Att: Comments
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551
Att: Docket No. OP-1248

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G. Street, N.W.
Washington, DC 20552
Att: Docket No. 2006-01

RE: Proposed Guidance – Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices

Dear Sir or Madam:

Fidelity Federal Bank and Trust felt it very important to comment on the proposed Real Estate Commercial Lending Guidelines.

We certainly understand the need for sound lending practices and proper portfolio management. We have always had an excellent credit quality rating from the O.T.S. and other regulatory agencies. By way of background, Fidelity Federal Bank & Trust was founded in 1952, presently has 4.1 billion dollars in assets and is the 6th largest Florida based financial institution. We specialize in construction lending, on single family residences, multi-family and commercial loans secured by real estate. We have a full time construction staff consisting of 10 associates and a Construction Loan Manager. We have been involved in this type of lending for over 40 years. During our examination by the O.T.S. we have always had a very favorable report on our Policies and Procedures.

We are concerned that the Guidance will reflect one size fits all. Each of our institutions has different markets and different portfolio mixes. We want to make sure the proposed Guidance is interpreted properly in the field.

We are also concerned that if the thresholds are exceeded that it does not automatically require capital increases. Once again, one size does not fit all.

Finally, Fidelity Federal Bank & Trust believes that well underwritten loans which are secured by real estate are sound and are much less subject to significant loss than loans secured by personal property or intangibles. In particular, loans secured by real estate are generally much less susceptible to loss than loans secured by other types of collateral such as receivables, business inventory, farm equipment, general intangibles, restaurant FF&E, equipment leasing, automotive floor plans, credit card lending, unsecured lending, high tech lending and other types of collateral. Further, if Fidelity Federal Bank & Trust and other banks are effectively forced to reduce the amount of loans secured by commercial real estate, the amount and percentage of loans secured by other less reliable collateral will no doubt increase. Application of this Guidance will have the practical effect of increasing loans in Fidelity Federal Bank & Trust and other community banks which are secured by less reliable collateral. Therefore, application of the proposed Guidance as a practical matter can result in an increase in loans which are subject to greater loss than loans secured by real estate.

In summary, Fidelity Federal Bank & Trust is willing to work with all the regulatory agencies to help develop a Guidance that will assist all financial institutions.

Sincerely,

Joseph C. Bova
Executive Vice President
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JCB/lm

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